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Williams, Pacific Gas and Electric Co. and Fort Chicago Energy Partners L.P. Propose Major New Gas Transmission Pipeline Project

SALT LAKE CITY – Williams' (NYSE:WMB) Northwest Pipeline, Pacific Gas and Electric Company (NYSE:PCG) and Fort Chicago Energy Partners L.P. have agreed to jointly pursue the development of a major new gas transmission pipeline that would increase natural gas supplies for the West Coast of the United States. The three participants will hold equal interests in the pipeline project.

The proposed Pacific Connector Gas Pipeline, a 250-mile natural gas transmission line, together with the proposed Jordan Cove liquefied natural gas terminal in Coos Bay, Ore., being developed by Fort Chicago, are designed to bring new diverse worldwide natural gas supply sources to West Coast markets.

Scheduled for completion in 2010, the project would provide competitive and reliable alternatives to existing supplies from Canadian, Southwest and Rocky Mountain sources, which are increasingly being pursued to supply eastern U.S. markets.

The Pacific Connector would link the proposed Jordan Cove LNG terminal to Williams' Northwest Pipeline system near Roseburg, Ore., and the Tuscarora and PG&E gas transmission systems, both near Malin, Ore.

The project's Oregon location enhances supply options for consumers in Oregon, Washington and throughout the Pacific Northwest. As proposed, the pipeline would be capable of delivering 1 billion cubic feet of natural gas per day to the Pacific Northwest and beyond – including California and northern Nevada – through various interconnects with the pipelines previously mentioned.

Today, virtually all of the supplies serving the Pacific Northwest and northern California originate in the Rocky Mountains or in Canada.

The group immediately will begin seeking regulatory approvals and market commitments for the Pacific Connector and plans to begin environmental assessments along the proposed route in March. The group is targeting a Federal Energy Regulatory Commission application filing for the pipeline by January 2007.

"Providing access to diverse, abundant natural gas supplies continues to be a major focus at Williams," said Phil Wright, senior vice president of Williams' gas pipeline business. "The Pacific Connector is designed to give customers access to LNG supplies, further enhancing the superior supply flexibility offered by our own Northwest system."

"The Pacific Connector is an example of the innovative options PG&E is pursuing to bring much needed supplies to the region," said Bob Howard, PG&E's vice president of gas transmission and distribution.

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“Through joining forces with other utilities in the region, we hope to bring additional cost-effective supply sources that would significantly benefit our gas and electric end use customers.”

Stephen White, president and CEO of Fort Chicago, commented: “We are extremely pleased to have these pre-eminent energy companies join us in this natural gas transportation project. Their participation should ensure optimal pipeline and market interconnectivity, and their collective strengths help to form a foundational bridge between the Jordan Cove LNG terminal and the substantial markets located throughout the Pacific Northwest, California and elsewhere in the western U.S.”

About Williams (NYSE:WMB)

Williams, through its subsidiaries, primarily finds, produces, gathers, processes and transports natural gas. The company also manages a wholesale power business. Williams’ operations are concentrated in the Pacific Northwest, Rocky Mountains, Gulf Coast, southern California and the Eastern Seaboard. www.williams.com.

About Pacific Gas and Electric Company (NYSE:PCG)

Pacific Gas and Electric Company incorporated in California in 1905, is one of the largest combination natural gas and electric utilities in the United States. Based in San Francisco, the company is a subsidiary of PG&E Corporation. Pacific Gas and Electric Company's primary business is the transmission and delivery of energy. The company provides natural gas and electric service to approximately 15 million people throughout a 70,000-square-mile service area in northern and central California. The service area stretches from Eureka in the north to Bakersfield in the south, and from the Pacific Ocean in the west to the Sierra Nevada in the east. www.pge.com

About Fort Chicago Energy Partners L.P.

Based in Calgary, Alberta, Fort Chicago presently owns a 50 percent interest in the Alliance Pipeline, an approximate 42.7 percent interest in Aux Sable Liquid Products L.P. and Alliance Canada Marketing and a 100 percent interest in the Alberta Ethane Gathering System ("AEGS"). The Alliance Pipeline is a 3,000 kilometre mainline natural gas pipeline, which extends from northeastern British Columbia to delivery points near Chicago, Illinois. Aux Sable operates natural gas liquids extraction, fractionation and delivery facilities near Chicago. AEGS is a 1,324 kilometre ethane pipeline system, which delivers ethane feedstock to Alberta's petro-chemical industry. www.fortchicago.com

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